Policy announced in July, 1991, iron and steel have been removed from the list of industries reserved for the Public Sector and also delicensed subject to certain locational restrictions. Further, the Union Government do not have any proposal at present to set up new/greenfield Public Sector Steel Plant in the Country. However, MMTC and MECON, both Central Public Sector Undertakings and IPICOL, a Government of Orissa Undertaking are jointly setting up a steel plant at Duburi, Distt. Jajpur in Orissa with envisaged overseas equity participation. The steel plant with an estimated investment of Rs. 1510 Crores will produce 6.2 lakh tpa steel and 4.90 lakh tpa pig iron. The pig iron production is expected to commence in October, 1998 and steel production with effect from October, 1999.

(f) No industrial license application is pending from the North Eastern States for setting up of new steel plants.

Decline in Profit of SAIL

1373. SHRI SOM PAL: Will the Minister of STEEL be pleased to state:

(a) whether it is correct that Steel Authority of India Limited has recorded decline in its profits during the year 1996-97;

(b) if so, the details and reasons thereof;

(c) what have been the figures of profit or loss during the previous four years in the Company; and

(d) the steps being taken to improve its profitability?

THE MINISTER OF STEEL AND THE MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) and (b) The profit (before tax) in SAIL in 1996-97 was Rs. 602.* crores as compared to Rs. 1318.61 crores in 1995-96. During the year 1996-97 SAIL had to face abnormal increase in input costs on account of cost escalation in coal price, petroleum price, railway freight, power tariff, special custom duties etc. The impact of these escalations is about Rs. 1000 crores while only a part of this impact could be neutralised through improvement in operational efficiencies. Other reasons, which have affected the profitability, include decline in the international prices of steel and freer imports bringing the margins under stress as also the sluggish market behaviour etc. due to which SAIL could not pass on the impact of input cost escalation to the customers.

(c) The details of profit (before tax) for the previous four years are as under:—

(Rs. in Crores)@

1992-93	1993-94	1994-95	1995-96
423	545	1163	1319

(d) SAIL is taking steps on a continuous basis to improve its performance, which include modernisation and technological upgradation of its plants, improving techno-economic factors i.e. reduction in coke rate, energy consumption, metallic input, improvement in yield, extensive customer contact, market oriented product-mix, improvement in quality, long term relationship with customers, leadership in service and customer satisfaction, strict control and monitoring of operating costs, higher productivity and greater autonomy to field officers, etc.

*Subject to CAG audit.

@ Rounded off to 0 decimal place.

Expert Committee to Examine Modernisation of Two Steel Plants

1374. SHRI GYAN RANJAN: Will the Minister of STEEL be pleased to state:

(a) whether Government's attention has been drawn to news-item captioned "SAIL worried over its two steel plants",